



General Assembly

Substitute Bill No. 6365

January Session, 2001

***AN ACT CONCERNING CLEAN AIR STANDARDS FOR CERTAIN
POWER PLANTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) As used in sections 1 to 4, inclusive, of this act,
2 subsection (b) of section 12-587 of the general statutes, as amended by
3 this act, subsection (d) of section 16-50k of the general statutes, as
4 amended by this act, section 12-81 of the general statutes, as amended
5 by this act, section 16-244c of the general statutes, as amended by this
6 act, section 9 of this act and subsection (c) of section 16-245n of the
7 general statutes, as amended by this act:

8 (1) "Affected unit" means any emissions unit subject to the
9 provisions of section 22a-174-22b of the Regulations of Connecticut
10 State Agencies, the Post-2002 Nitrogen Oxides Budget Program;

11 (2) "Title IV source" means an affected unit that is also subject to
12 Phase II of the acid rain control requirements set forth in Title IV of the
13 federal Clean Air Act (42 USC 7651d, et seq.);

14 (3) "Average emissions rate" means a determination of the rate of
15 SO₂ emissions, measured in pounds of SO₂ per MMBtu, in any
16 calendar quarter from a single Title IV source that was constructed
17 prior to the effective date of this act. Average emissions rate for such a
18 source is calculated by dividing the total quarterly SO₂ emissions, in
19 pounds, from such source by the total quarterly heat input, in MMBtu,

20 for such source;

21 (4) "Sulfur dioxide" or "SO₂" means a gas that at standard conditions
22 has the molecular form SO₂;

23 (5) "MMBtu" means million BTU of heat input;

24 (6) "Calendar quarter" means the quarter years ending on the last
25 day of March, June, September and December;

26 (7) "Emission reduction measures" means the installation of
27 pollution control equipment, fuel or operational changes designed to
28 lower sulfur dioxide emissions at a facility;

29 (8) "Tonnage cap" means the maximum number of tons of sulfur
30 dioxide that a Title IV source may emit during a calendar quarter;

31 (9) "Representative quarterly heat input" means the actual heat
32 input at a Title IV source during a given control period, averaged on a
33 quarterly basis, except that if the heat input of the preceding or
34 subsequent quarters deviates by more than fifteen per cent, that month
35 shall not be included when calculating the representative quarterly
36 heat input for that Title IV source;

37 (10) "Given control period" means January 1, 1998, to December 31,
38 2000, inclusive, or the three years for which the most recent data is
39 available when the tonnage cap is established by the Department of
40 Environmental Protection, whichever is less;

41 (11) "Facility" means one or more units located at the same premises,
42 owned by the same entity.

43 Sec. 2. (NEW) (a) On and after December 31, 2004, the owner or
44 operator of a Title IV source shall, at each facility, through the use of
45 emission reduction measures or a tonnage cap:

46 (1) Combust liquid fuel, gaseous fuel or a combination of each
47 provided each fuel possesses a fuel sulfur limit of equal to or less than

48 0.3 per cent sulfur, by weight (dry basis); or

49 (2) Meet an average emission rate of equal to or less than 0.33
50 pounds sulfur dioxide per MMBtu for each calendar quarter for an
51 affected unit at a premises; or

52 (3) Meet an average emission rate of equal to or less than 0.3 pounds
53 sulfur dioxide per MMBtu calculated for each calendar quarter, if such
54 owner or operator averages the emissions from two or more affected
55 units at a premises; or

56 (4) Not exceed the quarterly sulfur dioxide emissions tonnage cap
57 established under section 3 of this act.

58 Sec. 3. (NEW) (a) On or before July 1, 2002, the owner or operator of
59 a Title IV source shall submit to the Department of Environmental
60 Protection a compliance plan to implement emission reduction
61 measures to comply with section 2 of this act. Such plan shall include
62 a description of the measures to be implemented at each facility; a
63 proposed schedule for implementation and specific notification as to
64 whether such compliance plan includes utilization of the tonnage cap
65 provision in subdivision (4) of section 2 of this act.

66 (b) The Department of Environmental Protection, upon notice by a
67 Title IV source that the use of a tonnage cap is part of said source's
68 plan to comply with section 2 of this act, shall establish a quarterly
69 sulfur dioxide emissions tonnage cap for said Title IV source. Such
70 tonnage cap shall be determined by multiplying the Title IV source's
71 representative quarterly heat input by a 0.3 pounds/MMBtu sulfur
72 dioxide emissions rate. The Department of Environmental Protection
73 shall recalculate the tonnage cap annually and advise the owner or
74 operator of such Title IV source of any new tonnage cap requirement
75 sixty days prior to the effective date of the new tonnage cap
76 requirement. Any Title IV source utilizing a tonnage cap requirement
77 to comply with section 2 of this act shall, at all times, comply with the
78 sulfur dioxide emission standards and fuel sulfur limits effective on
79 and after January 1, 2002, as established in subsection (c) of section

80 22a-174-19a of the Regulations of Connecticut State Agencies.

81 (c) The Department of Environmental Protection shall develop and
82 approve a timeline for the expediting of those permits required for the
83 installation of pollution control equipment or repowering when a Title
84 IV source submits a plan, pursuant to subsection (a) of this section,
85 indicating that the use of pollution control equipment or repowering is
86 to be utilized by such source to comply with section 2 of this act. Such
87 expedited permit procedures shall not override the provisions in
88 chapter 446c of the general statutes for public participation.

89 (d) If the Department of Public Utilities Control determines that the
90 supply of electric power available to the state is insufficient to meet
91 demand, the Commissioner of Public Utilities Control shall so advise
92 the Governor. The Governor may direct the Commissioner of
93 Environmental Protection to suspend the emission limitation
94 requirements in subsection (a) of section 2 of this act for an emergency
95 period of not more than seven days. Thereafter, the Commissioner of
96 Environmental Protection may suspend the emission limitation
97 requirements in subsection (a) of section 2 of this act for consecutive
98 periods as advised by the Commissioner of Public Utilities Control.
99 The Commissioner of Public Utilities Control and the Commissioner of
100 Environmental Protection shall submit a report to the joint standing
101 committees of the General Assembly having cognizance of matters
102 relating to the environment and energy and technology detailing the
103 circumstances and duration of any suspension of the emission
104 limitation requirements in subsection (a) of section 2 of this act.

105 Sec. 4. (NEW) The Department of Economic and Community
106 Development and the Connecticut Development Authority may
107 provide loans pursuant to sections 32-220 to 32-235, inclusive, of the
108 general statutes to a Title IV source for the installation of equipment
109 for pollution control or repowering.

110 Sec. 5. Subsection (b) of section 12-587 of the general statutes is
111 repealed and the following is substituted in lieu thereof:

112 (b) (1) Except as otherwise provided in subdivision (2) of this
113 subsection, any company which is engaged in the refining or
114 distribution, or both, of petroleum products and which distributes
115 such products in this state shall pay a quarterly tax on its gross
116 earnings derived from the first sale of petroleum products within this
117 state. Each company shall on or before the last day of the month next
118 succeeding each quarterly period render to the commissioner a return
119 on forms prescribed or furnished by the commissioner and signed by
120 the person performing the duties of treasurer or an authorized agent or
121 officer, including the amount of gross earnings derived from the first
122 sale of petroleum products within this state for the quarterly period
123 and such other facts as the commissioner may require for the purpose
124 of making any computation required by this chapter. Except as
125 otherwise provided in subdivision (3) of this subsection, the rate of tax
126 shall be five per cent.

127 (2) Gross earnings derived from the first sale of the following
128 petroleum products within this state shall be exempt from tax: (A) Any
129 petroleum products sold for exportation from this state for sale or use
130 outside this state; (B) the product designated by the American Society
131 for Testing and Materials as "Specification for Heating Oil D396-69",
132 commonly known as number 2 heating oil, to be used exclusively for
133 heating purposes or to be used in a commercial fishing vessel, which
134 vessel qualifies for an exemption pursuant to section 12-412; (C)
135 kerosene, commonly known as number 1 oil, to be used exclusively for
136 heating purposes, provided delivery is of both number 1 and number 2
137 oil, and via a truck with a metered delivery ticket to a residential
138 dwelling or to a centrally metered system serving a group of
139 residential dwellings; (D) the product identified as propane gas, to be
140 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
141 fuel, marine diesel oil and marine gas oil to be used in any vessel
142 having a displacement exceeding four thousand dead weight tons; (F)
143 for any first sale occurring prior to January 1, 2000, propane gas to be
144 used as a fuel for a motor vehicle; (G) for any first sale occurring on or
145 after July 1, 2002, grade number 6 fuel oil, as defined in regulations

146 adopted pursuant to section 16a-22c, to be used exclusively by a
147 company which, in accordance with census data contained in the
148 Standard Industrial Classification Manual, United States Office of
149 Management and Budget, 1987 edition, is included in code
150 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
151 North American Industrial Classification System United States
152 Manual, United States Office of Management and Budget, 1997 edition;
153 [or] (H) for any first sale occurring on or after July 1, 2002, number 2
154 heating oil to be used exclusively in a vessel primarily engaged in
155 interstate commerce, which vessel qualifies for an exemption under
156 section 12-412; or (I) for any first sale occurring on or after October 1,
157 2001, liquid fuel that possesses a fuel sulfur limit equal to or less than
158 0.3 per cent sulfur by weight (dry basis).

159 (3) The rate of tax on gross earnings derived from the first sale of
160 grade number 6 fuel oil, as defined in regulations adopted pursuant to
161 section 16a-22c, to be used exclusively by a company which, in
162 accordance with census data contained in the Standard Industrial
163 Classification Manual, United States Office of Management and
164 Budget, 1987 edition, is included in code classifications 2000 to 3999,
165 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
166 Classification System United States Manual, United States Office of
167 Management and Budget, 1997 edition, or number 2 heating oil used
168 exclusively in a vessel primarily engaged in interstate commerce,
169 which vessel qualifies for an exemption under section 12-412 shall be:
170 (A) Four per cent with respect to calendar quarters commencing on or
171 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with
172 respect to calendar quarters commencing on or after July 1, 1999, and
173 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
174 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
175 one per cent with respect to calendar quarters commencing on or after
176 July 1, 2001, and prior to July 1, 2002.

177 Sec. 6. Subsection (d) of section 16-50k of the general statutes is
178 repealed and the following is substituted in lieu thereof:

179 (d) This chapter shall apply to any facility described in subdivisions
180 (1) to (3), inclusive, of subsection (a) of section 16-50i, the construction
181 of which is commenced on or after April 1, 1972, and to any such
182 facility the construction of which is approved by a municipality that
183 has commenced the sale of bonds or bond anticipation notes on or
184 after April 1, 1972, the proceeds or part of the proceeds of which are to
185 finance such construction. This chapter shall apply to any facility
186 described in subdivision (4) of said subsection (a) of section 16-50i, the
187 construction of which is commenced on or after July 1, 1983, and to
188 any such facility the construction of which is approved by a
189 municipality that has commenced the sale of bonds or bond
190 anticipation notes on or after July 1, 1983, the proceeds or part of the
191 proceeds of which are to finance such construction. This chapter shall
192 apply to any facility described in subdivisions (5) and (6) of said
193 subsection, the construction of which is commenced on or after
194 October 1, 1977, and to any such facility the construction of which is
195 approved by a municipality that has commenced the sale of bonds or
196 bond anticipation notes on or after October 1, 1977, the proceeds or
197 part of the proceeds of which are to finance such construction. This
198 chapter shall apply to the modification of a facility described in
199 subdivisions (1) to (3), inclusive, of said subsection (a) for which
200 construction is commenced on or after April 1, 1972, modifications of a
201 facility described in subdivision (4) of said subsection (a) for which
202 construction is commenced on or after July 1, 1983, and modifications
203 of a facility described in subdivisions (5) and (6) of said subsection (a)
204 of section 16-50i, for which construction is commenced on or after
205 October 1, 1977, whenever such modification either alone or in
206 combination with existing or other proposed facility modifications
207 may, as determined by the council, have a substantial adverse
208 environmental effect. This chapter shall not apply to any matter over
209 which any agency, department or instrumentality of the federal
210 government has exclusive jurisdiction, or has jurisdiction concurrent
211 with that of the state and has exercised such jurisdiction, to the
212 exclusion of regulation of such matter by the state. Notwithstanding
213 the provisions of this chapter, this chapter does not apply to the

214 installation of pollution control equipment or repowering of any Title
215 IV source, as defined in section 1 of this act.

216 Sec. 7. Section 12-81 of the general statutes is amended by adding
217 subdivisions (76) and (77) as follows:

218 (NEW) (76) New machinery and equipment used directly in the
219 elimination or control of emissions by a Title IV source that is an
220 affected unit, as defined in section 1 of this act.

221 (NEW) (77) Machinery and equipment utilized in the research,
222 development, deployment and installation of Class I renewable energy
223 sources, including, but not limited to, fuel cells.

224 Sec. 8. Section 16-244c of the general statutes is amended by adding
225 subsection (g) as follows:

226 (NEW) (g) Notwithstanding any provision of the general statutes,
227 no owner or operator of an affected unit, as defined in section 1 of this
228 act, may bid on default electric service when such owner or operator is
229 found to have violated on more than one occasion the sulfur dioxide
230 emissions standards, as established in regulations adopted under
231 section 22a-174 of the general statutes, or the nitrogen oxides emissions
232 standards as established in regulations adopted under section 22a-174
233 of the general statutes.

234 Sec. 9. (NEW) On January 1, 2002, and January first of each year
235 thereafter, the Department of Public Utility Control shall, in
236 accordance with section 11-4a of the general statutes, provide the
237 General Assembly with a report on the status of demand, supply and
238 reserves of electric power available to the state, including a projection
239 of future demands, supply and reserves for each of the next five years,
240 as measured from the date of the report.

241 Sec. 10. Subsection (c) of section 16-245n of the general statutes is
242 repealed and the following is substituted in lieu thereof:

243 (c) There is hereby created a Renewable Energy Investment Fund

244 which shall be administered by Connecticut Innovations, Incorporated.
 245 The fund may receive any amount required by law to be deposited
 246 into the fund and may receive any federal funds as may become
 247 available to the state for renewable energy investments. Connecticut
 248 Innovations, Incorporated, shall use said funds for the development,
 249 deployment and installation of Class I renewable energy source
 250 projects, including, but not limited to, a minimum of three fuel cell
 251 projects and may use any amount in said fund for expenditures which
 252 promote investment in renewable energy sources in accordance with a
 253 comprehensive plan developed by it to foster the growth, development
 254 and commercialization of renewable energy sources, related
 255 enterprises and stimulate demand for renewable energy and
 256 deployment of renewable energy sources which serve end use
 257 customers in this state. Such expenditures may include, but not be
 258 limited to, grants, direct or equity investments, contracts or other
 259 actions which support research, development, manufacture,
 260 commercialization, deployment and installation of renewable energy
 261 technologies, and actions which expand the expertise of individuals,
 262 businesses and lending institutions with regard to renewable energy
 263 technologies.

264 Sec. 11. This act shall take effect from its passage.

ENV Joint Favorable Subst.

PD Joint Favorable

ET Joint Favorable

CE Joint Favorable

FIN Joint Favorable

LM Joint Favorable